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# AGRICULTURAL COOPERATION

March 9, 1929

Vol. VII, No. 5.

## MANY COOPERATIVE MARKETING SCHOOLS

Schools of cooperative marketing and purchasing are an outstanding feature of the present cooperative movement in America.

The fourth session of the American Institute of Cooperation, held in California last summer, enrolled 470 students from 31 states and 10 foreign countries.

The first Alberta Institute of Cooperation was held at the University of Alberta in June.

Representatives of the United States, Australia, the English and Scottish Cooperative Wholesale Societies and the International Cooperative Alliance, took part in the International Pool Conference at Regina, last summer.

The second session of the New England Institute of Cooperation was held in June; the third annual Pennsylvania Cooperative Conference, in November; and the fourth session of the Cooperative Institute of North Dakota, in January of this year.

Within the past twelve months two schools of cooperative marketing have been held at the Oklahoma Agricultural College and one school each in Arkansas, Arizona, Kansas, Mississippi, Tennessee, and Texas.

Fifteen schools of cooperative marketing are being held in Indiana this winter, and six two-weeks schools in Colorado.

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION  
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING  
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C.

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## A CORRECTION

The item appearing in Agricultural Cooperation, February 23, 1929, page 70, to the effect that "Sweet cream to the amount of a car load a day is being shipped to New York City by the Twin City Milk Producers Association, St. Paul," should have read "sweet cream to the amount of a car load a day is being shipped in the new year by the Twin City Milk Producers Association, St. Paul."

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## CALIFORNIA FRUIT EXCHANGE REPORTS FOR 1928

Some districts of the California Fruit Exchange, Sacramento, found 1928 the most prosperous year in their history, and others found it the most unprofitable, states the annual report of the manager. The difference was largely due to the quality of fruit produced. The average of all prices was fair, he states.

The past year was the biggest the Exchange has ever had, both in cars shipped and gross sales. Shipments totaled 13,629 cars, or 1,403 more than in 1927. The increase included all kinds of fruit handled. This fruit went to 400 carlot markets, an increase of 12 since 1927. Sales to December 31, 1928, totaled \$19,320,719.

As the California tree fruits ripened about two weeks earlier than usual, and fruits in the East about two weeks later, they came into strong competition on the markets. As a result the California Fruit Exchange sold 65 per cent of its fruit at auction and only 35 per cent in private sale markets.

The standardization department, organized in 1923, has been working diligently to raise the standard of fruit produced which is placed on the market under the "Blue Anchor" brand. Working in cooperation with the standardization department, the local associations and contract shippers have expended more than a million dollars in the last three years in the development of central packing houses, machinery and equipment, and for the improvement of packing methods. During the past season the manager of this department visited the eastern markets to observe conditions as a basis for suggesting improvements. One result of this trip was that several hundred photographs were taken, showing the actual condition of fruit on arrival. Many of these pictures have been shown before meetings of growers to illustrate the need for better packing.

An important accomplishment of the past year was that of perfecting a machine for treating cars of fruit to prevent deterioration and decay. This machine was perfected by the standardization department in cooperation with the University of California, and 15,000 cars of grapes were treated last year. The cost of the operation is now less than \$5 per car instead of \$10 as formerly.

The supply department during 1928 handled 1,418 cars of shook and lumber products, 41 cars of baskets, 22 cars of paper, 22 cars of nails, 212 cars of grape kegs and grape packing, and 22 cars of other material, including spray. This business amounted to \$2,078,305, or \$270,000 more than last year, with large savings to the growers. An



especially valuable service to both the growers and the trade has been rendered by assistance in securing standardization of containers, particularly lug boxes.

The Exchange owns timber properties and a lumber mill in Flumas County and last year the lumber department cut 17,297,250 feet of lumber. About one-half of this was manufactured into box shooks. After deducting \$68,000 for depreciation and \$20,000 for interest and taxes, the earnings of this department amounted to \$70,231. One-half of the investment in the lumber plant has already been written off, and the Exchange expects to write off the remainder within the next ten years, while the property is expected to be in operation for 22 years to come.

The financial condition of the organization is reported by the management as excellent. The operating fund which revolves over a period of five years, has now reached a total of \$1,817,020, and the current assets at the close of 1928 amounted to \$63.61 for every dollar of current liabilities, compared with \$14 for every dollar of current liabilities at the end of 1927. Every year since organization in 1907 the Exchange has made a refund to its growers, and never once has it been necessary to levy an assessment. Refunds on 1928 business were made on the basis of  $3\frac{1}{2}$  per cent of gross sales. They amounted to \$724,526.

Of the 13,629 cars shipped, there were still 246 cars of grapes and pears unsold at the close of 1928. These were in transit or in storage where it was unwise to attempt to move them during the 1928 year. Therefore, the figures for sales cover only 13,383 cars.

Figures showing the development of the Exchange during the past 12 years are given below:

Year	Cars shipped	Gross sales	Net returns	Refunds to growers	Claims collected
1917	3,339	\$4,504,809	\$ 2,647,699	\$135,529	\$ 24,271
1918	4,129	7,234,241	4,403,304	305,155	65,021
1919	5,056	10,127,039	6,302,324	477,059	113,314
1920	5,596	13,473,801	8,666,178	673,690	162,762
1921	6,281	12,680,295	6,952,475	507,211	360,716
1922	8,560	12,935,832	8,280,069	517,433	66,012
1923	10,935	17,173,124	10,629,060	667,688	240,850
1924	8,485	14,994,554	10,125,891	597,096	243,567
1925	11,934	17,282,258	10,237,690	682,876	100,050
1926	12,092	17,332,395	10,318,933	537,862	125,457
1927	12,226	19,225,663	12,252,779	672,898	85,927
1928	13,629	*19,320,719	11,823,381	724,526	54,075

\* Not including 246 cars of grapes and pears unsold on December 31.

LEMON ASSOCIATION MAKES FINE RECORD

The Chula Vista Mutual Lemon Association, Chula Vista, Calif., reports that its operations during 1928 were "most successful." Its records show increases in acreage and in net returns to growers, with a decrease in the cost of doing business.

The output of the association for the year was 53,694 packed boxes, an increase of 15,057 over 1927. The producing acreage in 1927 was slightly over 200 acres, during 1928 it increased to 485 acres. Net returns to growers in the former year were \$73,000 and in 1928, more than \$160,000, making a net increase of \$87,000.

Cost of doing business was reduced 5 per cent the past year, and fruit was packed for 30 cents a box, including depreciation, interest and every other charge. The manager attributes these results to "careful management and close cooperation from the field to the final market."

Improvement in quality was another achievement of the season. In 1927 less than 25 per cent of the fruit shipped was first grade, and in 1928 the shipments were more than 50 per cent first grade. The goal has now been set at 70 per cent or more.

This association is one of the units of the Mutual Orange Distributors, Redlands.

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SALES RECORD OF PENNSYLVANIA GRAPE ASSOCIATION

Gross sales by the Keystone Cooperative Grape Association, North East, Pa., for the past eight years amount to \$4,729,491.

This association was organized in 1921 and sales for that year amounted to \$450,000. Small fruits as well as grapes are handled. Miscellaneous supplies such as fertilizer, containers, spray material, posts, stakes, etc., are purchased for 376 members.

Number of car loads of grapes shipped, gross sales, operating expenses and net earnings for the past seven years are as follows:

Year	Grapes shipped (Cars)	Gross sales	Operating expenses	Net earnings
1921	---	\$450,000	-----	-----
1922	787	684,425	\$27,758	\$14,578
1923	407	509,630	27,243	10,042
1924	611	715,294	33,255	15,689
1925	356	669,510	32,157	12,561
1926	808	601,684	38,491	26,510
1927	463	494,069	28,972	13,647
1928	644	604,879	34,248	14,454

COOPERATIVE POTATO MARKETING IN COLORADO

Larger shipments of potatoes were made in the fifth year of activity of the Colorado Potato Growers' Exchange, Denver, than in any of the four preceding years. The total number of car loads of potatoes handled exceeded 7,000. Gross sales were \$4,072,496, and refunds to growers at the end of the year amounted to \$53,789.

The large shipments were the direct result of a bigger crop and increase in membership. The big crop of 1927 resulted in low prices and in low returns to members.

The 1927-28 season was the last under the first marketing contract which covered five years. A nine-year contract is now in force and the 1928 crop is being delivered in accordance with that. The crop of 1928 is much smaller than that of 1927; it is even below a normal crop.

The story of the association's first five years is largely told by the figures given below:

Year ending June 30	Number of members	Shipments (Cars)	Sales	Refunds to growers*
1923-24	2,104	5,006	\$2,811,365	\$119,934
1924-25	2,234	4,110	2,226,838	51,911
1925-26	** 2,312	5,660	5,407,132	54,552
1926-27	# 2,821	5,269	4,689,738	29,336
1927-28	-----	7,027	4,072,496	53,789

\* Part paid at close of season, part in a subsequent year.

\*\* May 3, 1926.

# November 1, 1927.

Refunds for each year were made in two payments, one at the close of the season, and one about two and one-half years later. The amount withheld was used as operating capital on a revolving-fund basis.

The 15 warehouses owned by the Colorado Potato Warehouse Corporation, a subsidiary of the Exchange, represented an investment of \$108,467 on January 31, 1929.

The Colorado Potato Growers' Exchange is a federation of about 23 local associations in the potato-producing areas of Colorado. The local units receive and grade the potatoes and the Exchange furnishes the marketing service. The best potatoes are marketed under the "Colotato" brand, in sacks of two bushels each.



SIDELINE BUSINESS BY FARMERS' ELEVATORS

Sidelines, such as coal, flour, feed, binder twine, lumber, etc., are sold by most farmers' elevators, according to a recent survey by the Division of Cooperative Marketing of the U. S. Department of Agriculture. In addition, many elevator associations ship livestock. The average amount of sideline and livestock business handled during the 1926-27 season by a large group of elevator organizations was \$48,485. This total was made up as follows: livestock, \$17,962; flour and feed, \$10,829; coal, \$10,397; lumber, \$1,670; binder twine, \$1,340; machinery, \$1,297; and miscellaneous, \$4,990.

The relative importance of the different lines of activity varied greatly in the different grain producing areas of the United States. In the Corn Belt, shipping livestock was the most important; in the soft-wheat and winter-wheat areas, the sale of flour and feed; in the spring-wheat area, the sale of coal; and in the Pacific Coast States, the sale of miscellaneous commodities.

The average amount per elevator of this additional business for the several areas was as follows: soft-wheat area, \$90,191; Corn Belt, \$59,835; winter-wheat area, \$42,693; spring-wheat area, \$20,318; and Pacific Coast States, \$19,642.

The total amount of the sideline and livestock business for all the farmers' elevator associations is estimated at \$160,000,000 for the 1926-27 marketing season.

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SELLS AND BUYS FOR IOWA FARMERS

Grain sales for 1928 were the largest in the history of the Farmers Elevator Company, Blencoe, Iowa. They amounted to more than \$700,000, made up as follows: corn, \$501,994; wheat, \$186,912; oats, \$14,644. Sideline sales for the year were \$66,029. Two-thirds of the sideline business represented lumber and implement sales. Sales of coal, feed and flour have been fairly uniform during recent years.

The activities of this farmer-owned marketing enterprise for the last ten years are indicated by the following figures for sales:

Year	Grain	Seed	Feed	Lumber	Coal	Total
1919	\$449,687	\$ 435	\$ 979	\$34,339	\$ 8,399	\$493,829
1920	553,551	1,843	4,984	51,683	11,567	623,628
1921	276,613	1,429	4,675	42,110	7,984	332,811
1922	274,228	2,058	5,649	33,383	7,302	322,620
1923	448,621	2,965	5,210	*39,115	6,843	502,754
1924	304,231	3,437	#4,767	*26,247	7,256	345,938
1925	334,134	3,141	#5,271	*39,681	7,338	389,565
1926	578,818	4,139	#4,884	*40,826	10,233	638,900
1927	527,520	5,347	#5,707	*38,429	10,344	587,347
1928	703,551	3,662	#4,739	*48,501	9,127	769,580

\* Lumber and implements.

# Flour and feed.

This association was organized in 1912. Three years later it had a net worth of \$21,185. That year two hundred twenty-one cars of grain were shipped, 38 cars of building material were received, also 18 cars of coal and one car of fencing. Besides other activities 5 cars of hogs were sent to market.

At the close of 1928 net worth was \$77,360, it having been increased year by year from net earnings. Fixed assets on December 31 last, were but \$27,590. Expenses during recent years have ranged from \$10,000 to \$16,000.

The record of the last ten years as revealed by fixed assets, net worth, net earnings and operating expenses is as follows:

Year	Fixed assets	Net worth	Net earnings	Operating expense
1919	\$24,062	\$30,723	\$15,662	\$10,298
1920	28,982	49,342	10,835	12,030
1921	24,251	51,227	* 552	11,557
1922	23,625	60,401	6,862	11,237
1923	23,064	63,258	5,366	11,916
1924	22,028	58,305	3,201	10,749
1925	20,798	52,407	* 3,153	10,685
1926	30,044	61,704	11,762	#16,763
1927	29,159	66,749	8,213	13,098
1928	27,590	77,360	13,529	15,352

\* Loss.

# Including depreciation.

CINCINNATI MILK PRODUCERS TO HAVE EXTRA PAYMENT

Steady improvement in its financial condition year by year, is reported by the Cincinnati Pure Milk Association, Cincinnati. During 1927 the association was able to make full payments for all milk and meet all its obligations for interest, dividends, etc. In 1928, in addition to meeting all the fixed charges, the association accumulated a sum which will permit a credit of about 10 cents per hundred for all milk delivered during the year. This will be added to amounts to be covered by certificates of indebtedness.

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FAVORABLE REPORT FOR ILLINOIS EQUITY CREAMERY

Total sales of all products amounted to \$112,009 for the first seven months of operation of the Equity Union Creamery and Produce Company, Pana, Ill., as reported in a recent statement from the company. The creamery was opened on June 5, 1928, and since that time has handled 212,756 pounds of butter, also 34,353 pounds of poultry and 29,772 dozen eggs. Net earnings for the seven months were \$4,486. Fixed assets of the association, including land, buildings and equipment, amount to \$30,037; subscribed capital, \$26,702; surplus on December 31, 1928, \$4,486; and total net worth, \$31,188.

A dividend is being paid on share capital, also a patronage dividend of one cent per pound on butterfat. About \$2,000 will go to surplus.

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COOPERATIVE SUPPLIES MILK TO CONSUMERS

Sales amounting to \$3,410,396 are reported by the Franklin Cooperative Creamery Association, Minneapolis, for the year ending December 31, 1928. Net earnings for the year were \$95,521. Total assets at the close of the year were \$1,439,504, including real estate and equipment valued at \$1,102,780.

Comparative figures for sales for the past eight years are as follows: 1921, \$884,063; 1922, \$1,670,693; 1923, \$3,106,991; 1924, \$3,301,591; 1925, \$3,533,175; 1926, \$3,393,659; 1927, \$3,341,740; 1928, \$3,410,396.

At the annual meeting held January 26, the management reported that the number of shareholders was decreasing. Persons in attendance at the meeting were urged to try to interest their friends in this cooperative enterprise for supplying its members with milk.



MASSACHUSETTS DAIRY ASSOCIATION MOVES PLANT

The year 1928 was a "period of reconstruction" for the Holyoke Producers' Dairy Company, Holyoke, Mass. Chief among the events of the year was the purchase of a building in Holyoke and removal of the headquarters from South Hadley Falls. In order to finance this undertaking the authorized capital stock was increased to \$10,000 preferred and \$90,000 common. During the year \$10,800 of common stock was sold. At the close of the year there was capital stock outstanding as follows: common, \$65,680; preferred, \$9,800; total, \$75,480.

Sales in 1928 were the largest of any year in the history of the association, totaling \$294,818. The price received per quart was slightly lower than in 1927, the figures being 10.92 cents in 1927 and 10.59 in 1928. Figures for the past eight years are shown in the following table:

Year	Fixed assets	Net worth	Sales	Milk sold (Quarts)
1921	\$47,013	\$56,169	\$128,320	
1922	29,817	67,517	210,977	
1923	40,096	66,270	251,849	2,331,000
1924	42,947	65,280	253,621	2,237,688
1925	42,643	65,280	245,162	2,304,105
1926	46,706	65,180	234,621	2,232,214
1927	38,343	64,780	243,585	2,229,761
1928	89,131	75,480	294,818	2,783,923

Many difficulties marked the progress of the year. A large bottle washer proved unsatisfactory and had to be replaced, causing a considerable loss; an employee embezzled some funds; and several groups of producers withdrew from the association at inopportune times. In two cases this created an unexpected shortage of milk during the period of scarcity and the association was obliged to purchase milk outside and pay an extra cost of \$3,519.

Strict regulations imposed by the Health Department make it imperative that only milk of high quality be accepted, and the association has purchased equipment to test milk frequently for its members as to cleanliness and bacterial content.

A new rating plan with a maximum and minimum requirement, and with suitable penalties, was unanimously adopted at a recent meeting. It calls for 3.7 milk with a differential of 5 cents per cwt. for each additional 1/10 per cent above or below 3.7. In the short season from July 1 to December 1, producers may deliver 10 per cent more than their ratings at full price, while in the flush period they may be required to accept surplus prices for milk in excess of their ratings. For producing less than 80 per cent of their ratings at any time they may be penalized.



CHICAGO MILK STRIKE SETTLED BY ARBITRATION

Recent differences between milk producers and milk dealers in the Chicago area have been settled by arbitration. The price to producers has been advanced from \$2.50 to \$2.64 per cwt. at country points, effective January 1. In addition, the dealers are to pay one cent per cwt. to the Pure Milk Association, Chicago, on all milk handled. The dealers have agreed to recognize the association and to cooperate with it in working out plans for handling the surplus milk, which is a big problem during the flush season.

The producers' fight was more for the privilege of rendering a service to producers and dealers than for an increased price. They asked for an increase from \$2.50 to \$2.85 per cwt. The price awarded was, in the judgment of the arbitrator, as high as it could be placed at this time without bringing in an unduly large supply of milk. Both dealers and producers have shown a splendid spirit of cooperation since the settlement and it appears as if all would benefit from it. The following are the terms of settlement as released to the public by the arbitrator, Dr. Clyde L. King, on February 2:

Effective on January 1, and to continue through February and March, the price will be \$2.64, f. o. b. country, with no surplus, and in addition the buyer will pay to the association one cent per cwt. In the meantime a surplus plan will be worked out by the committee. Until changed in conference the 4 cent differential on butterfat will continue.

The following decisions heretofore made are reaffirmed:

1. The dealers will buy through the association.
2. No new patrons whatsoever will be taken on by any dealer except as members of the Pure Milk Association.
3. The question of nonmembers will be laid aside to be taken up not later than May 1, with full cooperation on the part of the distributors in the meantime.
4. The distributor will give the arbitrator any data desired, as to receipts, sales or profits, and any records that are requested, with the distinct understanding that all the information furnished by any one dealer will be confidential. Totals only will be given to the committee.
5. To stop losses to the farmers from bankruptcy of dealers, a cash bond of \$2,500 will be required of each dealer.
6. We confirm again the understanding as to one cent from nonmembers, with the same net price to each, the committee to work on details.

7. No additional contracts will be made in violation of this decision and the status quo of present contracts will be kept. I now wish to ask each dealer to confer with Mr. Geyer on this as soon as possible and to place all their facts before him.
8. We confirm the understanding as to the checking of weights and tests and the committee will work out the methods.

This is not the first time producers in the Chicago Milk Shed have found it necessary to withhold their milk in order to secure an equitable adjustment of their market difficulties. Thirteen years ago there was a bitter struggle between the milk producers and dealers in a strike which proved to be the forerunner of a number of such disturbances in other cities. On April 1, 1916, the Chicago dairymen, organized as a cooperative bargaining association under the name of the Milk Producers' Association, withheld their milk for a price of \$1.55, while dealers offered them \$1.33½. After a week the producers' price was granted. The bargaining association continued, but its activities were supplanted about three years later by those of the Milk Producers Cooperative Marketing Company which handled milk and operated its own surplus plants.

The membership of this association was made up largely of members of the Milk Producers' Association. Factions developed in the Marketing Company and economic laws were forgotten. A reorganization took place in 1922, but there were difficulties in refinancing, prices paid producers were low, and the association found it necessary to cease operations. It was placed in the hands of receivers July 15, 1925.

The Milk Producers' Association, which had retained its organization, became more active and strongly opposed the move on the part of the Chicago Board of Health to allow only T. B. tested milk to be sold in the city. Members refused to test their cattle and attempted a strike. This was practically the death of the association. The area of the Chicago milk shed was increased, which made the marketing problem more difficult.

On these ruins has been developed the present Pure Milk Association. Its aim has been to render the producers and dealers an economic service. The dealers, recalling bitter experiences with groups of producers in other years, have continually refused to recognize the association. As a last resort the members withheld their milk from January 15 to January 20, forcing the dealers to submit the question at issue to arbitration. This had been suggested by a group representing the public and by producers who felt that any honest decision would be favorable because of the fairness of their requests. Cooperative dairy organizations, through their national trade and service organization kept in close touch with the situation.

TWELFTH YEAR OF COOPERATIVE EGG MARKETING

Summarizing the 1928 business of the Washington Cooperative Egg and Poultry Association, Seattle, the president of the association in his annual report gave the following figures: 1,507 cars of eggs were shipped, compared with 1,394 cars in 1927. Total sales aggregated \$21,771,075, a gain of 18 per cent over 1927. The association handled 32,440,630 dozen eggs, and egg sales amounted to \$10,281,860; members were supplied with 125,800 tons of feed, and retail feed sales came to \$6,211,850; poultry was handled to the extent of 2,720,064 pounds, and poultry sales amounted to \$597,073.

Besides the weekly payments for poultry and eggs, the association distributed the following payments to members during the year: a deferred payment of \$231,321, representing 0.8 cents per dozen on the 28,815,162 dozen eggs delivered; the sum of \$61,537, representing the reserves set aside in the surplus fund of 1922 and 1923; preferred stock to the amount of \$313,827 on prorated feed overcharges; credits on common stock to the amounts of \$169,024 and \$153,846, and on preferred stock to the amount of \$190,000; and an 8 per cent dividend on stock, amounting to \$145,552. These sums totaled more than a million dollars.

Before the association began business in 1917, Western Washington had to import eggs to supply the local demand and approximately 167 cars were shipped in from other states besides large quantities from the Orient. In that year the Washington Cooperative Egg and Poultry Association was formed by a small group of producers. From 114 members in 1917 the organization has grown steadily and now has more than 8,000 members shipping more than 1,500 cars of eggs a year. At the recent annual meeting the authorized capital stock was increased from \$2,000,000 to \$4,000,000. Instead of one place of business the association now has 19 branch stations besides the general offices in Seattle.

The feed department in 1928 handled for the membership nearly 125,800 tons of feed. This was practically 16,000 tons more than in the previous year, or 15 per cent. Earnings of the department for the year totaled \$331,291, or 33 per cent of the invested capital. Five new distributing centers were opened during the year. At three of these points other businesses were absorbed or taken over.

The poultry department handled a total of 2,720,064 pounds of poultry, 1,306,422 birds. Of these 861,830 were broilers, weighing 1,119,193 pounds; and 369,736 were hens, weighing 1,330,455 pounds. Improvements were made during the year in the methods of handling broilers, in feeding, in picking, in grading, in packing, in the style of package, in freezing and in storage.

At the end of the calendar year the association owned real estate, buildings and equipment with a depreciated value of \$1,239,743; common stock paid in amounted to \$1,153,845; preferred stock paid in, \$976,179; the surplus fund amounted to \$220,619, and the deferred reserves, \$623,890.



Operating costs per dozen for the last six years are analyzed and presented in a lengthy table from which the following totals are taken;

Year	Costs per dozen (Cents)	Costs per case	Year	Costs per dozen (Cents)	Costs per case
1923	3.7696	\$1.13	1926	3.6769	\$1.103
1924	3.8721	1.162	1927	3.7924	1.133
1925	3.6666	1.10	1928	3.8646	1.159

Gross sales for the past two years for the several departments are as follows:

Department	Sales 1927	Sales 1928
Egg	\$ 8,754,330	\$10,281,860
Feed (Retail)	5,339,696	6,211,850
Feed (Mill sales)	3,458,583	4,275,584
Poultry	580,003	597,073
Egg Meats	190,696	338,449
Pad manufacturing	14,280	16,279
Total	\$18,397,588	\$21,771,095

The growth of this farmer-owned enterprise, pictured by the quantity of eggs received from members, is as follows:

Year	Eggs received (Cases)	Year	Eggs received (Cases)
1917	14,285	1923	326,135
1918	26,183	1924	373,112
1919	33,183	1925	531,090
1920	85,060	1926	740,990
1921	200,287	1927	960,486
1922	266,284	1928	1,081,354



INCREASED BUSINESS FOR TULARE EGG ASSOCIATION

Volume of business amounting to \$260,543 for the year ending December 31, 1928, is reported by the Tulare Cooperative Poultry Association, Tulare, Calif., as compared with \$221,398 for 1927. During 1928, 12,764 cases of eggs were marketed for \$105,763 and 136,978 pounds of poultry sold for \$37,404.

The purchase of supplies and their resale to members, is an important activity of the association. This business in 1926 amounted to \$101,519; in 1927, to \$89,678; and in 1928, to \$113,666.

In 1925 baby chicks to the value of \$10,362 were sold to poultrymen. Since that year, however, there has been a gradual falling off in this business, the sales for the three succeeding years being: 1926, \$7,279; 1927, \$6,594; 1928, \$3,523.

The membership at the close of 1928 was 212, as compared with 216 for the previous year.

A new plan for marketing eggs has been adopted for 1929. Sales are to be made through the Poultry Producers of Southern California, Inc., Los Angeles, which has outlets for a large quantity of poultry products.

The growth of the Tulare association for a number of years is shown in the following table:

Year	Number of members	Eggs handled	Egg sales	Poultry sales	Total sales*
		(Dozen)			
1913	---	25,801	-----	-----	\$25,932
1914	102	-----	-----	-----	56,207
1915	104	117,950	-----	-----	52,696
1916	112	-----	\$ 46,838	\$10,554	78,532
1917	128	223,832	74,404	24,942	146,034
1918	148	271,680	112,921	30,808	229,220
1919	171	285,207	129,845	41,457	280,521
1920	185	279,757	131,421	46,361	303,084
1921	195	302,414	98,289	47,861	236,261
1922	204	287,277	82,137	51,055	234,007
1923	225	431,135	128,543	73,031	322,504
1924	232	535,085	163,929	71,155	376,963
1925	231	481,679	165,455	54,481	367,461
1926	214	418,134	124,070	54,212	287,608
1927	216	344,499	82,777	41,535	221,393
1928	212	382,940	105,763	37,404	260,543

\* Including eggs, poultry, grain, supplies, coops, baby chicks, etc.

DISCOUNT CORPORATION AIDS MISSISSIPPI PRODUCERS

Production credit to the amount of \$2,077,585 was extended by the Staple Cotton Discount Corporation, Greenwood, Miss., in 1928, as reported in a recent statement. Approximately 50 per cent of this amount was represented by paper made eligible by bank endorsement.

This corporation, set up under the authorization of the Federal rural credits act of 1923 and the cooperative marketing act of the State of Mississippi, was organized as an agency for supplementing the production credit resources of the Mississippi Delta. It operates only as a service institution, and endeavors to cooperate with other similar agencies. By means of this corporation acting as an intermediary between local banks and the Federal Intermediate Credit Bank, \$784,927 of outside funds was made available to customers of Delta banks last year for production purposes.

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MARYLAND ASSOCIATION TO HOLD MEETINGS.

Seven meetings for tobacco growers are scheduled by the Maryland Tobacco Growers' Association, Baltimore, for the period March 12-16. Three speakers will address these meetings: the chief of the Maryland Department of Markets, the executive vice-president and consulting manager of the Maryland association, and the president of the Chamber of Commerce, Florence, S. C. All tobacco growers are invited to attend the meetings whether members of the association or not.

Figures showing in some measure the work of the association for the past nine years are given below:

Season	Tobacco handled (Pounds)	Value
1919-20	6,533,100	\$1,050,000
1920-21	8,088,600	1,130,000
1921-22	9,500,000	1,390,000
1922-23	14,700,000	2,160,000
1923-24	15,143,000	3,630,000
1924-25	13,266,390	3,020,000
1925-26	12,867,655	2,830,000
1926-27	11,176,930	2,240,000
1927-28	11,043,780	2,540,000

LIFE INSURANCE OFFERED TO NORTH CAROLINA FARMERS

Cooperative life insurance is now available to members of the North Carolina Cotton Growers' Cooperative Association, Raleigh. By means of an arrangement with an established life insurance company, each member can secure a \$1,000 policy for himself and a similar one for his wife at a low rate, provided a large number of members make the necessary applications. No medical examinations will be required for persons in fairly good health.

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IOWA MUTUAL INSURANCE COMPANY ACTIVE

More than \$5,400,000 of fire and storm insurance was in effect at the close of the 1928 business year of the Farmers' National Cooperative Elevator Mutual Insurance Association of Iowa, Fort Dodge. The greater part of this amount was coverage on five-year policies. The income for 1928 amounted to \$23,897 and expenses, including losses of \$12,610, were \$24,877.

Ten losses occurred during the year, nine in Iowa and one in Nebraska. Five losses were from fire and five the result of wind storms.

The year closed with reserves to the amount of \$11,582, and a balance in the surplus fund of \$28,192.

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DEVELOPMENT OF MUTUAL LIFE INSURANCE COMPANY

"Sound and substantial growth" to the amount of nearly two million dollars, was the report of the Farmers' Union Mutual Life Insurance Company, Des Moines, Iowa, at the annual meeting held January 24. The insurance in force now amounts to \$10,367,610, and the number of policy holders is 6,271.

Growth of the company since organization is shown by the following table:

Year	Admitted assets	Insurance in force
1922	\$ 7,254	\$ 763,000
1923	40,036	3,014,250
1924	110,364	3,947,750
1925	207,254	5,034,750
1926	303,042	6,790,750
1927	445,556	8,548,750
1928	633,684	10,367,610

PRICE DISCRIMINATION FORBIDDEN

The Clayton Act forbids any person, corporation or association engaged in interstate commerce from discriminating in price between different purchasers where the effect of such discrimination is to substantially lessen competition or tend to create a monopoly in interstate commerce.

George Van Camp & Sons Company brought suit against the American Can Company, 49 S. Ct. 112, under this statute because the American Can Company sold cans to the Van Camp Packing Company at a discount of 20 per cent below the announced standard prices at which it sold cans of the same kind to it and because the American Can Company furnished sealing machines to the Packing Company free while it charged a fixed rental for them of George Van Camp & Sons Company. The Supreme Court said: "The effect of the discrimination is to substantially lessen competition, and its tendency is to create a monopoly, in the line of interstate commerce in which complainant and the packing company are competitively engaged."

As indicated, the Court held that the statute had been violated and that a suit would lie against the American Can Company under the circumstances.

This act applies to all engaged in interstate commerce.

L. S. Hulbert.

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OMAHA LIVESTOCK COMMISSION RATE CASE

Livestock shippers will be interested in a recent case which arose because the Secretary of Agriculture, in 1926, fixed maximum commission rates that might be charged by the commission agencies at the Omaha stockyards for the purchase and sale of livestock. This was done under the authority conferred upon him by the Packers and Stock Yards Act and after giving the commission concerns an opportunity for a hearing. The rates fixed by the Secretary of Agriculture were lower than those in effect and which had been fixed by the Omaha Livestock Exchange.

In order to obtain facts on which to determine what reasonable commission rates should be, the Secretary of Agriculture, through employees of the Department of Agriculture, audited the books of the various market agencies of the Omaha stockyards and obtained as full information as possible with respect to the cost of doing business.

The schedule of commission rates fixed by the Secretary of Agriculture was to become effective on January 1, 1927. Before that date members of the Omaha Livestock Exchange obtained a temporary injunction which prevented the schedule of rates from becoming effective. Although hearings had been held before an examiner of the Secretary of Agriculture before the schedule of rates was fixed by the Secretary, the court referred the case to a master so as to give the members of the Livestock Exchange



concerned more opportunity for submitting evidence as to what the commission rates should be. The master held that the Secretary of Agriculture had no power under the Packers and Stockyards Act to fix commission rates and so reported to the Federal Court that appointed him. On December 18, 1928, after the receipt of the report of the master, the Federal Court held that the conclusion of the master that the Secretary of Agriculture had no power under the Packers and Stockyards Act to fix commission rates was incorrect and expressly held that he did have such authority. The Court further held that the schedule of commission rates as fixed by the Secretary of Agriculture was reasonable and dissolved the temporary injunction. (Tagg Bros. & Moorhead v. United States, 29 F. (2d) 750).

It is understood that the commission agencies are appealing the case to the Supreme Court of the United States.

The Federal Court in its opinion said:

For many years the agencies have operated under a schedule of rates fixed by their Omaha exchange and undoubtedly the fact that the rates are so fixed by an organization of which the commission men and traders are members, and their customers, the live stock owners and shippers, are not, inclines public authority to take a hand in the matter. The Secretary of Agriculture says in his order now under attack in this case: "If the owners of the 53 firms or corporations composing the respondents can through a committee, or whatever other machinery they see fit to adopt, arrive at the rates to be charged the shipper, a disinterested governmental agency can fairly arrive at such rates."

The flow of this commerce through the stockyards may be likened to the course of travel across a toll bridge, and there is an analogy if you picture such a bridge equipped with a toll gate at both its ends. When the travelers go upon the bridge, the bridge owner lifts the toll bar and collects the tolls; but when they come to the other end there is a group of men who have an arrangement with the bridge owner to lift the other toll bar for a price. Would it not be absurd to say that the bridge owner's prices may be regulated, but that the others can get together and charge anything they please - that the travelers may be protected from extortion in getting onto the bridge, but not when they come to getting off?

L. S. Hulbert

HISTORICAL SKETCHES, No. 3. THE FIRST CREAMERIES

So far as known at present, the first factory in America erected especially for making butter was built at Campbell Hall, Orange County, N. Y., in 1856, four years after the Williams cheese factory at Rome. The owner was R. S. Woodhull and his first butter-maker was George George who later became proprietor of the factory.

Five years later, in 1861, another creamery was built in the same county, near Middletown, N. Y. This was known as the Wallkill Creamery. It was not far from the creamery at Campbell Hall and there has been some confusion because of this fact.

The Wallkill Creamery soon became a notable institution. Its manager, Alanson Slaughter, was an expert buttermaker and turned out an excellent product which became well known and we read, "The fame of Orange County butter is everywhere. Orange County butter is the standard of comparison."

Various farm papers of the time published descriptions of the plant and its methods of operation, with cuts and drawings to explain the details of construction and processes of manufacture. Milk delivered at the creamery was placed in narrow deep cans and submerged in cold spring water for 24 hours. Then the cream was dipped off, and churned sweet. In 1865 the creamery was receiving the milk of 400 cows. A farm paper in 1865, commenting on the superior quality and flavor of the butter made in Orange County factories, stated that the factories were offered 70 cents a pound for all they could make. Dairymen came from other states to learn how to make Orange County butter and Herkimer County cheese.

Another creamery called the Orange County Milk Association, began operations in 1862. This was located four miles northeast of Middletown. A few years later this factory had 28 members, with from 5 to 30 cows each. "Four other farmers also delivered their milk and were charged \$1.50 per cow extra."

Creameries soon appeared in other states and helped to improve the quality of butter. Doubtless there was need for improvement. The butter from one state in 1848 was reported to be of three grades: "horrible, bad, tolerable."

In addition to better butter and higher prices, the creameries gave the milk producers in the vicinity of New York City relief from the domination of combinations of milk dealers. The farmers could now place a price on their milk and if it was not accepted they could manufacture butter and cheese.

For organizing a factory the farmers of a neighborhood joined together and erected the plant, each paying in proportion to the number of cows from which he expected to deliver milk. Running expenses were shared in proportion to the milk delivered.

Chastina Gardner.

REPORTED BY THE ASSOCIATIONS

A twenty-four-hour-a-day service is maintained by a cooperative restaurant in Chicago established in 1924 by a group of Russian workers. Since the restaurant started the business has more than doubled. More than 800 people are served daily and sales are in excess of \$100,000 annually.

The Northern Wisconsin Cooperative Tobacco Pool, Madison, is now marketing its seventh crop of tobacco and its employees are out in the territory drawing samples from both stemming and sorting crops. This organization sells about two million dollars' worth of leaf crop each year for its members who now number over 4,500.

A cotton-classing school for negro farmers was conducted by the Arkansas Cotton Growers' Cooperative Association in Pulaski County on January 29. About 30 boys received instruction in the forenoon and 25 men in the afternoon. The instruction given in the training classes was supplemented by talks given by the president of the association and the county home demonstration agent.

When the jam factories of the Scottish Cooperative Wholesale Society turned out 338 tons of jam in the first six weeks of 1914, that was a record figure. However, that record was broken in 1928 as the factories made 554 tons during the corresponding six weeks. The factories are strictly modern in their equipment and operation and their output is jam, jelly and marmalade of high quality.

Fifty new credit unions are listed by the Credit Union National Extension Bureau, Boston, Mass. A number of these are unions of postal employees, several are made up of Federal employees, others represent workers in a wide range of lines. These new organizations are located mostly in the states in the eastern, southern and central western parts of the country, with one in California. A speaker at a recent meeting stated, "The credit union, incidentally, is often the greatest open door to the reformation of character."

A new line of protective service for its members has been established by the Ohio Farm Bureau Federation, Columbus. The Federation offers a reward for information leading to the conviction of persons stealing on the property of Farm Bureau members. In case of grand larceny the reward is \$35, and petit larceny, \$15. Sixteen hundred dollars has been set aside from the 1929 budget to handle this work. Signs telling of the reward will be posted on the farms; local groups will be encouraged to organize; and suggestions for protection will be given.



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